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*Pat Donovan*  
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FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554

25 FEB 1993

IN REPLY REFER TO:

*mm Docket*  
*92-266*

8310-MEA  
CN9300558

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MAR 22 1993

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Honorable William J. Hughes  
House of Representatives  
341 Cannon House Office Building  
Washington, DC 20515

Dear Congressman Hughes:

Thank you for your letter on behalf of Mrs. Linda DeMatte, Business Administrator, City of Vineland, New Jersey. She objects to the use of a "benchmarking approach" as proposed in our proceeding to regulate cable television rates (MM Docket 92-266) under the 1992 Cable Act.

Comments in this proceeding were due by January 27, 1993; reply comments were due by February 11. Our deadline for establishing rules concerning basic rate regulations is June 1993.

Your constituent's letter has been placed in the record of this proceeding so that the Commission can be mindful of her concerns during its deliberations. I trust that the foregoing and the enclosures are informative.

Sincerely,

*Roy J. Stewart*

Roy J. Stewart  
Chief, Mass Media Bureau

Enclosures

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LETTER REPORT

TITLE	MEMBERS NAME	REPLY FOR SIG OF
Congressman	William Hughes	BC

CONSTITUENT'S NAME	SUBJECT
City of Vineland	ing. re: rate regulation & 92 Cable Act

**WILLIAM J. HUGHES**  
2ND DISTRICT, NEW JERSEY

COMMITTEE ON THE JUDICIARY  
SUBCOMMITTEE ON INTELLECTUAL  
PROPERTY AND JUDICIAL  
ADMINISTRATION (CHAIRMAN)  
COMMITTEE ON MERCHANT  
MARINE AND FISHERIES  
SELECT COMMITTEE ON AGING  
SUBCOMMITTEE ON RETIREMENT  
INCOME AND EMPLOYMENT (CHAIRMAN)  
SELECT COMMITTEE ON  
NARCOTICS ABUSE AND CONTROL

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-3002**

February 9, 1993

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**The Honorable Jim Quello**  
**Acting Chairman**  
**Federal Communications Commission**  
**1919 M Street, NW**  
**Room 814**  
**Washington, DC 20554**

Dear Chairman Quello:

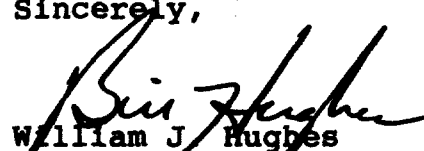
I am enclosing correspondence I have recently received from the City of Vineland, one of the most populous areas in my Congressional district.

As you will note, the city is particularly concerned about the FCC proposal to utilize a benchmark approach to rate regulation. Vineland is concerned that any benchmark determination would not accurately reflect the particular needs and factors that effect cable service providers in the region.

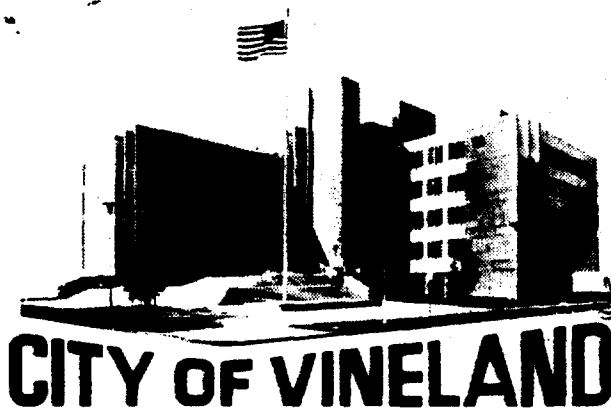
I hope that you will give these comments your utmost consideration in determining the method of regulation. Thank you for your attention in this matter.

With kind personal regards, I am,

Sincerely,

  
William J. Hughes  
Member of Congress

WJH:cm



LINDA DE MATTE  
BUSINESS ADMINISTRATOR

640 E. WOOD STREET • VINELAND, NEW JERSEY 08360-3713  
TELEPHONE: (609) 794-4144 • FAX: (609) 794-4327

January 21, 1993

The Honorable William J. Hughes  
House of Representatives  
2nd District  
Room 341  
Cannon Office Building  
Washington, D.C. 20515

Dear Congressman Hughes:

The FCC has initiated a rulemaking proceeding seeking public comment on proposed cable television rate regulation rules. In the rate regulation proceeding, the FCC seeks comment on whether it should utilize a "benchmarking approach" or a "cost-based approach" to rate regulation. Under a benchmarking approach, the FCC would establish a "benchmark rate". Such a benchmark rate would be the average rate that CATV operators charge for basic service in markets where there is cable competition. Cable systems with rates above the benchmark price would be required to reduce their rates to the benchmark level unless they could justify the higher rates under standards to be established by the FCC. Rates below the benchmark rate would be presumed to be reasonable. Under a cost-based approach, the FCC would determine the reasonableness of a cable system's rates by examining particular costs of the individual cable system. The FCC has tentatively concluded that it will use the benchmarking approach.

You are aware that Vineland is a distressed community, that we are an area where 40% of the population is too old or too young to work and that we have another 10% of the employable population that is not working. We have the lowest per capita income and we receive more than 1/3 of our operating revenues from the State in order to stabilize our tax rate and provide necessary municipal services. We have a responsibility to the community as their franchising authority to make sure that we have in place the most equitable form of rates for cable service. For most Vineland residents, their cable television service is their primary source of information and entertainment. Keeping the cost reasonable for these cable subscribers by examining the particular cost of providing service within the four corners of the City of Vineland is important. I do not believe that it is fair to the people in Vineland whose wages are far less than Central Jersey or North Jersey to be charged a rate which would be for benchmark use within this State or even within a particular area if that area is not compatible with all other economic indicators in the region.

**CITY OF VINELAND**

VINELAND, NEW JERSEY 08360

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We petition you to follow through with the FCC to provide assurance that our community will be well represented in this rule making process. We understand that the deadline for establishment of the rules is January 27, 1993.

Thank you for your kind attention to this matter.

Very truly yours,



Mrs. Linda DeMatte  
Business Administrator

LD/dm